

INTRODUCTION

The Plan for Financing the First Year of Operation provides financial information regarding anticipated revenue (income) to the Family Day Care System as well as anticipated operating expenses for the first year of operation. This form is of primary importance in providing selected information for use in determining financial responsibility as required by § 63.2-1702, Chapter 17, Title 63.2 of the *Code of Virginia*. Amounts entered are to be based on valid sources of income and a realistic determination of anticipated expenses. The requested data is critical to the evaluation of the System's capability to operate effectively and meet essential financial obligations during the first year of operation. When completing this form, do not include any revenue or expenses that are not directly associated with operation of the System.

INSTRUCTIONS FOR COMPLETING THE FORM

ANTICIPATED REVENUE – This includes anticipated annual income from all sources, i.e., it is the total of all income from all sources shown below. It should not include personal income of the applicant(s) when such money is to be used for operating the Family Day System.

1. ***Fees for Children in Care*** – Enter anticipated revenue to be received each year as fees or payments for children in care. This should be based on the rate per child to be charged by the Family Day System and the number of children expected to be in care during the first year of operation. An estimate that is somewhat less than the total capacity of all homes that are members of the System may be the most realistic one.
2. ***Fees from Other Clients and Services*** – The Family Day System may provide services to clients and receive fees for them. (Example: Fees for training or consultation services provided to any person or organization).
3. ***Income from Investments*** – Enter any income expected from existing investments for the purpose of supporting System operations.
4. ***Endowment/Trust Fund(s)*** – Enter revenue expected during the year from this source, if planned to support the System.
5. ***Contributions/Solicitations*** – Enter income expected from sources such as United Fund, religious or fraternal organizations, fund drives and solicitations, etc.
6. ***USDA Food Funds*** – Enter funds, if any, received from USDA for use in purchasing food for children in care in member homes of the System. Show such funds or disbursements (expenditures) under Item 4 (Food) below when disbursed to member homes.
7. ***Other (SPECIFY)*** – Specify source and amount of any income not stated above which is expected during the year (if such funds will be used for the System).

ANTICIPATED EXPENSES – This includes anticipated annual expenses of all types necessary to System operations. It is the total of all expense items shown below. Five (5) major categories of anticipated expenses are shown. The explanations of the sub-headings are intended to assist the applicant in understanding the number and types of financial considerations that may be involved in a Family Day System, and to assist the Department in evaluating the System's qualifications for a license.

1. Administration:

- a. Office Supplies and Equipment – Include expendable and non-expendable items used for administrative purposes. Examples: pens, pencils, paper, typewriters, filing cabinets, desks, chairs, etc. (Do not include training equipment and supplies; do not duplicate anything shown in 3, e below).
- b. Insurance – Show the annual cost of insurance paid by the FDS, e.g., fire and liability insurance. Show separately any insurance paid by member homes if paid in support of children in care.
- c. Interest – Show any interest due or to become due during the year on outstanding loans.
- d. Taxes – Enter the annual amount of taxes that must be paid by the System. This would include VEC taxes, Federal unemployment taxes paid on employees' salaries and wages, as well as (if applicable) business taxes, property taxes, and real estate taxes, etc. The employer's FICA (Social Security) taxes should be shown in the Salaries and Wages category below.

2. Salaries, Wages, and Benefits:

- a. Salaries and Wages – Include all salaries and wages to be paid by the System to its employees; and, if the System is a corporation or association, to its Board of Directors for salaries or expenses, if applicable. Also, include salaries/wages of the System owner, director, or chief administrative officer; trainers, social workers and other professional level staff persons; secretaries, clerks and assistants; maintenance workers; and groundskeepers, janitors and any others who are regular employees of the System. Payments to day care providers should be entered under Payment to Member Homes below.
- b. FICA and Fringe Benefits – Show the total costs the System must bear for employee vacations, sick leave, FICA (Social Security payments), workman's compensation, the costs for substitute personnel (if borne by the System), and similar costs.

3. Operations:

- a. Payments to Member Homes – Enter the total paid or to be paid to member homes as their fees or wages for child care for the year. Payments for other purposes may be included, but should be specified. USDA Food payment should NOT be shown here, but rather under Food below.
- b. Rent or Mortgage Payments – Show any payments of this type for buildings/property of the system (e.g., office building, warehouse); and any payments to or for member homes for this purpose, if applicable.
- c. Utilities – Show the total of payments made or to be made by the System for electricity, water, fuel oil, gas (for heating), sewage and refuse services, telephone and similar services.
- d. Repairs and Renovations – Show all expenses of this type incurred by the System to maintain, repair, or renovate its own structure(s) or property (show separately).

- e. Equipment and Supplies – Show costs of such items provided by the System to member homes. Examples: items such as toys, construction paper, glue, etc. DO NOT include supplies and equipment the System will use exclusively in its office(s). DO NOT include training equipment and supplies (see g. below).
- f. Travel and Transportation – (1) Include all costs of System staff in business operations, including mileage payments to staff members for home visits; and the travel/transportation costs of staff members for their own training or professional development activities. (2) Show separately the travel/transportation costs, if any, the System expects to bear for transporting children for any purpose.
- g. Training of Member Homes – Show the costs incurred by the System in providing various types of training to member homes. Include costs such as guest speaker fees, training materials, rental of facilities for training, training equipment, and similar expenses. DO NOT include salaries for training (see 2 a above) or the costs of training involving travel/transportation (see 3, f above).
- h. Consultation – Include all costs (fees, travel and expenses) paid or to be paid for any experts or consulting firms used to assist the System in solving problems or evaluating or improving its performance.
4. Food – Any expenses incurred by the System in executing the USDA Food Program for member homes should be entered here.
5. Other (SPECIFY) – Various types of expenses other than those above may be incurred by the System. These should be identified and explained here.

DATE: _____

NAME OF FAMILY DAY SYSTEM: _____

ANTICIPATED REVENUE:

1	Fees for children in care	\$ _____	
2.	Fees from other clients and services	_____	
3.	Income from investments	_____	
4.	Endowments/Trust fund(s)	_____	
5.	Contributions/solicitations	_____	
6.	USDA food funds	_____	
7.	Other (<i>SPECIFY</i>)	_____	
TOTAL REVENUE			\$ _____

ANTICIPATED EXPENSES:

1. Administration			
a. Office supplies and equipment	\$ _____		
b. Insurance - Fire Insurance	_____		
Personal Liability	_____		
c. Interest	_____		
d. Taxes (<i>SPECIFY</i>)	_____		

2. Salaries, wages, and benefits			\$ _____
a. Salaries & wages	\$ _____		
b. FICA	_____		
c. Fringe benefits (<i>SPECIFY</i>)	_____		

3. Operations

- a. Payments to member homes \$ _____
- b. Rent or mortgage payments _____
- c. Utilities _____
- d. Repairs and renovations _____
- e. Equipment & supplies _____
- f. Travel (*STAFF*) _____
- g. Training to member homes _____
- h. Consultation _____

4. Food

5. Other (*SPECIFY*)

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TOTAL EXPENSES

\$ _____